

Old Age, Disability, Death

First law: 1967.

Current law: 1990.

Type of program: Social insurance system.

Exchange rate: Currency is the U.S. dollar.

Coverage

Gainfully occupied persons, including self-employed.

Exclusions: Casual labor under certain circumstances.

Source of Funds

Insured person: 5% of earnings. Self-employed, 10% of 3/4 of gross revenue.

Employer: 5% of payroll. Small business, 10% of twice the salary of the highest paid employee.

Government: None, except for contribution as employer.

Maximum earnings for contribution and benefit purposes: \$5,000 a quarter.

Qualifying Conditions

Old-age pension: Age 55 with 80 quarters of coverage, or age 60 and 1 quarter of coverage for each year after June 1968, up to age 60.

Disability pension: Incapacity for substantial gainful activity due to impairment likely to last 1 year or result in death. 1 quarter of coverage for each year after June 1968 (or since age 21, if later), with at least 12 quarters of coverage; also, 6 quarters of coverage during last 40 quarters.

Survivor pension: Deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or at least 6 quarters of coverage in 40 quarters preceding death.

Pension reduced \$1 for each \$3 of earnings above \$1,500 a quarter for those who are less than 62 years old. Payable abroad to citizens if reciprocity exists.

Old-Age Benefits

Old-age pension: 2% of indexed covered earnings, plus 14.5 of the first \$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings in excess of \$11,000 but not in excess of \$44,000. Minimum: \$128.99 a month.

Dependents' allowance: None.

Permanent Disability Benefits

Disability pension: Same as old-age pension.

Minimum: \$128.99 a month.

Dependents' allowance: None.

Survivor Benefits

Survivor pension: 100% of deceased's pension, payable to widow or widower at any age.

Orphans: 25% of deceased's pension for each orphan under age 18 (22 if student; no age limit if invalid before age 22).

Minimum survivor pension: \$128.99 a month; maximum, 100% of insured's pension.

Lump sum benefits: If insured did not meet required quarters of coverage, lump sum benefit payable equal to 4% of cumulative covered earnings.

Administrative Organization

U.S. Social Security Administration, administration of program.